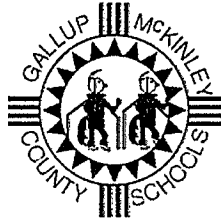


GALLUP-McKINLEY COUNTY PUBLIC SCHOOLS

Ray Arsenault
SUPERINTENDENT

KIM BROWN
Asst. Supt. of Business Services

THERESA MARIANO
Asst. Supt. of Personnel Services



MAX PEREZ
Asst. Supt. of Learning Services

LEONARD HASKIE
Asst. Supt. of Support Services

"GROWING STUDENTS TO BE PRODUCTIVE CITIZENS IN A MULTI-CULTURAL SOCIETY"

MEMORANDUM

To: Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

From: Ray Arsenault

Date: July 11, 2011

Subject: **Request for Review of a decision made by USAC – CC Docket Nos. 96-45 and 02-6**

Dear Ms. Dortch:

Decision being appealed: "Administrator's Decision on Appeal – Funding Year 2001-2002," dated May 10, 2011. Note: This letter is a supplement to our May 20, 2011, appeal of the same decision (see Attachment 1). We ask that this letter be joined with that earlier appeal.

Form 471 Number: 248147

FRN: 606006

Funding Year: 2001 (7/1/2001 – 6/30/2002)

Billed Entity Number: 143257

SPIN: 143005607

Service Provider Name: International Business Machines Corporation (IBM)

Applicant: Gallup-McKinley County School District (GMCS)
640 S Boardman Ave
P.O. Box 1318
Gallup, NM 87305-1318

Applicant's Contact Person: George McDonald
Phone: (516) 801-7820
Fax: (516) 801-7830
E-Mail: gm.review@e-ratecentral.com

On May 20, 2011, Gallup-McKinley County Schools (GMCS) submitted an appeal to the FCC regarding the following USAC documents: "Administrator's Decision on Appeal – Funding Year 2001-2002," dated May 10, 2011; "Demand Payment Letter – Second Request" and "Notice of Withholding Action," both dated May 16, 2011. At the time, we promised to supplement that correspondence with a detailed appeal of the May 10th letter by the 60-day deadline of July 11th. This letter is that supplement.

We indicated in our May 20 letter that "There is no one at the District today who was involved in the actions and decisions with respect to this FRN before 2005. With the historical information in the May 10th Administrator's Decision on Appeal, we and IBM are in a better position to craft an appeal, but we will need time."

IBM has undertaken a thorough review of that Administrator's Decision on Appeal and found significant issue with it. Attachment 2 is a letter from IBM outlining the issue and suggesting that the reduction in the prediscount cost of the FRN should have been \$9,831, not the \$401,052.90 determined by USAC. Correction of the reduction amount will obviate the need for any recovery.

We commend the IBM letter for your review and ask that GMCS and IBM be provided an opportunity to address any questions that the FCC or USAC may have on review of this appeal.

On March 14, 2011, GMCS submitted an appeal to USAC with respect to this FRN (Attachment 3) raising a number of other issues. In the event that you do not see fit to grant our appeal, we ask that you review that March 14 appeal to USAC and grant a waiver of any recovery action in lieu of the length of time that has passed since the events at issue here, the change in staff at GMCS since then, USAC's own error in indicating on its Web site the prediscount and committed amount on this FRN that may have contributed to any overpayment if there was one, and the adverse impact on GMCS's students today if it is forced to pay back almost \$36 thousand in this period of very stringent school district budgets.

Thank you for your consideration of this request.

Sincerely,

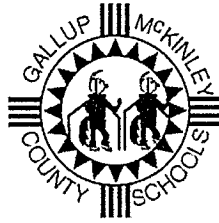
A handwritten signature in black ink, appearing to read "Ray Arsenault". The signature is fluid and cursive, with the first name "Ray" being more prominent and the last name "Arsenault" following in a similar style.

Ray Arsenault, Superintendent

Ray Arsenault
SUPERINTENDENT

KIM BROWN
Asst. Supt. of Business Services

THERESA MARIANO
Asst. Supt. of Personnel Services



MAX PEREZ
Asst. Supt. of Learning Services

LEONARD HASKIE
Asst. Supt. of Support Services

"GROWING STUDENTS TO BE PRODUCTIVE CITIZENS IN A MULTI-CULTURAL SOCIETY"

MEMORANDUM

To: Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

From: Ray Arsenault, Superintendent
Gallup McKinley County Schools

Date: May 20, 2011

Subject: **Request for Review of a decision made by USAC – CC Docket Nos. 96-45 and 02-6**

Dear Ms. Dortch:

Request for Review of a decision made by USAC – CC Docket Nos. 96-45 and 02-6

Decision being appealed: "Administrator's Decision on Appeal – Funding Year 2001-2002," dated May 10, 2011; "Demand Payment Letter – Second Request: and "Notice of Withholding Action," both dated May 16, 2011.

Form 471 Number: 248147

FRN: 606006

Funding Year: 2001 (7/1/2001 – 6/30/2002)

Billed Entity Number: 143257

SPIN: 143005607

Service Provider Name: International Business Machines Corporation (IBM)

Applicant: Gallup-McKinley County School District (GMCS)
640 S Boardman Ave
P.O. Box 1318
Gallup, NM 87305-1318

Applicant's Contact Person: George McDonald
Phone: (516) 801-7820
Fax: (516) 801-7830
E-Mail: gm.review@e-ratecentral.com

While the history of this FY 2001 FRN is long and convoluted, the actions that are relevant to this immediate request are summarized below.

On January 19, 2011, USAC issued an "Administrator's Decision on Appeal – Funding Year 2001-2002" that reduced the committed amount on this FRN to \$884,621.89, an action that would trigger a recovery of \$35,596.06. In a letter dated March 14, 2011 (and filed on March 15), GMCS appealed the January 19th Administrator's Decision. On March 14, 2011, USAC issued a Demand Payment Letter, demanding payment of \$35,596.06 from GMCS for FRN 606006.

FCC precedent is that recovery is on hold if there is a pending appeal. Our consultant, George McDonald, contacted Ms. Cyndi Beach of USAC on March 16, 2011, about the Demand Payment Letter. Ms. Beach responded by e-mail on March 31, 2011 (attached), indicating that GMCS does "not need to do anything, we now have this FRN on USAC Appeal Hold."

On May 10, 2011, USAC issued a new "Administrator's Decision on Appeal – Funding Year 2001-2002," denying the appeal we had filed with USAC on March 15, 2011. GMCS intended to appeal that new Administrator's Decision to the Commission by the 60-day deadline of July 11, 2011. Given the denial of the appeal, GMCS expected to receive a revised Demand Payment Letter restarting the repayment clock. Instead, in a letter dated May 16, 2011 (and delivered to E-Rate Central's offices on May 17th), USAC notified us we were on Red Light, threatening to dismiss three pending Forms 471 requesting a total of \$6.5 million if payment of the \$35,596.06 is not made by June 15, 2011. Apparently, our recovery was not on hold during the appeal as was reported by Ms. Beach. Instead the debt continued to age while our appeal was being worked and, once the appeal was resolved, we were quickly placed on Red Light.

As you know, the Red Light rule provides applicants 30 days to pay the debt or risk full denial of funding. However, FCC rules provide applicants 60 days to appeal a decision from USAC, so the issuance of the Red Light letter unfairly halved our time frame to appeal. This FRN dates back to Funding Year 2001 and has a long and complicated history. There is no one at the District today who was involved in the actions and decisions with respect to this FRN before 2005. With the historical information in the May 10th Administrator's Decision on Appeal, we and IBM are in a better position to craft an appeal, but we will need time. It is unfair for USAC to change FCC rules by not putting our recovery on hold during the appeal and effectively cutting our appeal time in half.

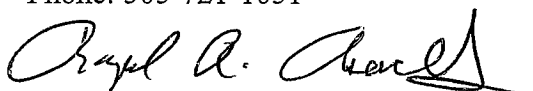
Therefore, we request that the FCC vacate USAC's May 16, 2011, Second Demand Payment Letter and Notification of Withholding Action. We also request the FCC consider this correspondence as an appeal of USAC's May 10, 2011, Administrator's Decision on Appeal. We will supplement this correspondence with a detailed appeal of the May 10th letter by the 60-day deadline of July 11th.

Thank you for your consideration of this request.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Raymond R. Arsenault".

Raymond R. Arsenault
Superintendent
Phone: 505-721-1051

A smaller, stylized handwritten signature in black ink, appearing to read "Raymond R. Arsenault".

THANK YOU

George McDonald

From: Cyndi Beach [cbeach@usac.org]
Sent: Thursday, March 31, 2011 4:16 PM
To: 'George McDonald'
Cc: 'Bart Stanley'; SL Andy Dick
Subject: RE: Gallup 2001 Demand Payment Letter

George,

The letters were ships passing in the night, you appealed the “partially approved appeal”, while we issued the 1DPL based on the appeal decision. So you do not need to do anything, we now have this FRN on USAC Appeal Hold.

Regards,

Cyndi

From: George McDonald [<mailto:gmcdonald@e-ratecentral.com>]
Sent: Monday, March 28, 2011 2:29 PM
To: Cyndi Beach
Cc: 'Bart Stanley'
Subject: RE: Gallup 2001 Demand Payment Letter

Cyndi,

I’m checking back in on this. I’m home after the filing window close and have made a better scan of the letter (see attached).

I’m hoping you can give me some guidance on this letter – do I need to act even though we’ve already appealed a letter for the same FRN and suggesting recovery of the amount, although for a different reason?

Thanks and hope you are well.

George

From: George McDonald [<mailto:gmcdonald@e-ratecentral.com>]
Sent: Wednesday, March 16, 2011 7:49 PM
To: 'Cyndi Beach'
Cc: 'Bart Stanley'
Subject: Gallup 2001 Demand Payment Letter

Cyndi,

We received the attached DPL today for an FY 2001 FRN for Gallup-McKinley County Schools. It refers to a COMAD letter that we never received. Could you send me a copy?

We did receive an Administrator’s Decision on Appeal Letter that seemed to be a precursor to a similar recovery for the same FRN and we sent an appeal of that letter to SLD yesterday. I am attaching that letter and appeal.

I’m wondering if there is some mistake here – the COMAD issue is about the discount rates and the Decision Letter on Appeal is about a service substitution, but they each result in the same recovery amount – to the penny.

Thanks for your assistance.

George

Attachment 2

IBM Global Services

*IBM E-rate Center
2330 Lakewood Road
Jefferson City, MO 65109
twening@us.ibm.com
573-632-2206*

July 8, 2010

Mr. Bart Stanley
Director, Technology and Telecommunications
Gallup-McKinley County Schools
PO Box 1318
640 South Boardman
Gallup, NM 87305

Dear Mr. Stanley,

The following information is provided to assist with your appeal of the Administrator's Decision for FRN 606006, FY2001 Video.

Issue: IBM believes USAC erred in its assessment of the eligibility of the Cisco Content Engine as reflected in the third bullet of the Explanation section of the May 10, 2011 Administrator's Decision on Appeal – Funding Year 2001-2002 for FRN 606006.

Rationale:

1. The Administrator's Decision on Appeal asserts that service provider documentation states that the Cisco Content Engine was being used as a "proxy cache" device, declares that an ineligible use, and determines that the total cost associated with the Content Engines (including design and engineering, installation and maintenance, configuration and documentation and project management) as well as "charges for ineligible network management and development of operational checklists" were \$401,052.90, which amount was removed from the approved prediscount cost.
2. Cisco Content Engines have both a proxy functionality and a cache functionality, as well as serving as a conduit for provision of video services.
3. IBM agrees that the cache functionality is ineligible.
4. The proxy functionality and the provisioning of video services are both eligible functionalities.
5. For the period at issue, Cisco calculated cost allocations of their family of Content Engines of between 75% and 80% eligible, depending on the model of the Content Engine. USAC agreed with the cost allocation made by Cisco. This cost allocation was made based on the ineligible caching functionality of the equipment.
6. As this particular device is no longer publicly posted on the Cisco E-rate eligibility website, IBM will stipulate to the lower end of the range and agree to a cost allocation of 75% eligible.

7. Three (3) Content Engines were installed at GMCS.
8. Each Content Engine was priced at \$5,000 for a total of \$15,000.
9. USAC made its own cost allocation of the labor for the Content Engines, as well as what USAC determined to be ineligible network management and preparation of operational checklists tasks, at \$386,052.90. (This is \$401,052.90 less the \$15,000 for the cost of the Content Engines.) The significant issue here is that USAC made the cost allocation decision without consultation with either the applicant or the service provider. Labor costs for installation at the District NOC were \$526,264 for all equipment installed in the NOC. USAC therefore made a reduction of 73% of NOC-related labor costs for three devices and some presumed ineligible tasks. Clearly this is not a reasonable cost allocation on the part of USAC.
10. Based on consultations with IBM staff and subcontractor staff familiar with the products involved, IBM believes the Installation, Configuration, and Testing of each Content Engine required approximately 28 hours, or 84 hours total. Typically, Project Management, Administration, and Installation Design and Engineering would be approximately 40%. Therefore, IBM adds 12 hours per Content Engine, or 36 hours total, for Project Management.
11. Available records do not provide a precise hourly labor rate for FY 2001; however, based on the original cost estimates for the project, IBM estimates the hourly rate to be \$188 for installation and \$237 for Project Management, Administration, and Installation Design and Engineering. This places the associated labor costs for three Content Engines at \$15,792 for installation and \$8,532 for Project Management, or \$24,324 total labor.
12. Based on 75% eligibility of the Content Engines, \$18,243 of labor associated with the Content Engines would be eligible and \$6,081 would be ineligible.
13. IBM asserts that operational checklists are simply a routine means of managing project implementation, and turning it over to the customer for operation. As such it is an eligible task which IBM includes under Project Management.
14. Regarding the ineligible network management tasks, USAC did not provide a list of tasks it considers as ineligible network management or a rationale for ineligibility, nor did USAC offer either the applicant or the service provider an opportunity to offer an explanation as to why these tasks would be eligible. IBM reviewed the Statement of Work to assist in this appeal and did not find any ineligible network management tasks.
15. In summary, USAC is not qualified, nor does it have the knowledge, to make the cost allocation that it did for the ineligible portions of this FRN. USAC did not consult GMCS or IBM in making that allocation. IBM believes the proper figure for costs associated with the three Content Engines is as follows:

| | |
|-----------------|------------------------|
| \$15,000 | for equipment |
| \$15,792 | for labor |
| <u>\$ 8,532</u> | for project management |
| \$39,324 | total |

Of this total, 25% would be properly classified as ineligible, or \$9,831. IBM asserts that there are no ineligible network management tasks associated with this project

Based on the above analysis, the prediscount cost of the FRN should have been reduced by \$9,831, not \$401,052.90.

I hope this information materially assists your appeal. If you have any questions or need clarification, please feel free to contact me at any time.

Regards,

A handwritten signature in black ink, appearing to read "Tony Weing". The signature is fluid and cursive, with a large loop at the end.

Tony Weing
Sr. Managing Consultant

Cc: George McDonald, E-rate Central

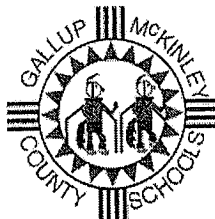
GALLUP-McKINLEY COUNTY PUBLIC SCHOOLS

Attachment 3

RAYMOND ARSENAULT
SUPERINTENDENT

KIM BROWN
Asst. Supt of Business Services

THERESA MARIANO
Asst. Supt of Personnel Services



MAX PEREZ
Asst. Supt of Learning Services

LEONARD HASKIE
Asst. Supt of Support Services

"GROWING STUDENTS TO BE PRODUCTIVE CITIZENS IN A MULTI-CULTURAL SOCIETY"

March 14, 2011

Letter of Appeal
Schools and Libraries Division – Correspondence Unit
30 Lanidex Plaza West
PO Box 685
Parsippany, New Jersey 07054-0685

SUBJECT: Administrator's Decision on Appeal – Funding Year 2001-2002
Funding Year: 2001
ADAL Date: January 19, 2011
Form 471#: 248147
FRN: 606006
Billed Entity Name: GALLUP-MCKINLEY CO SCHOOL DIST (GMCS)
BEN: 143257
Service Provider: International Business Machines Corporation
SPIN: 143005607

CONTACT PERSON: George McDonald
Phone: 516-801-7820
E-mail: gm.review@e-ratecentral.com

We are appealing the Administrator's Decision on Appeal Letter dated January 19, 2011, informing us that SLD has "approved" our "appeal" and informing us that a Service Substitution reduced the pre-commitment amount on this FRN by \$96,697.80 to \$1,028,630.10. As a result, the committed amount is reduced now to \$884,621.89. We note that disbursements on this FRN total \$920,217.95, so our successful "appeal" will trigger a recovery of \$35,596.06. We note that we had earlier filed an appeal on this FRN that was Partially Approved, but we did not file an appeal relating to the issue in this Administrator's Decision on Appeal Letter.

This is a ten-year-old FRN. Equipment was installed during FY 2001 even though the FRN was originally denied. We attach the July 20, 2001, GMCS Purchase Order directing IBM to proceed with the equipment installation, and the September 27, 2001, IBM invoice for the equipment and installation, which would have been generated after the work was completed.

There have been changes in GMCS staff and in the district's outside E-rate consultant in the last few years and we have not been able to recreate exactly what happened with respect to this FRN. The following is our best sense of those events.

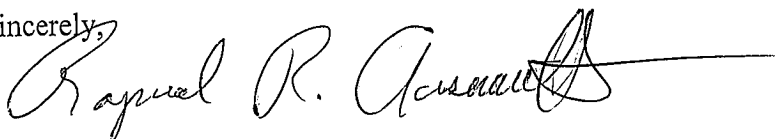
SLD originally denied the FRN and GMCS' appeal of that denial to the FCC was successful. Funding was finally awarded in June 2005 in a pre-commitment amount of \$1,136,072.10. We do not know how SLD justified the reduction from the original request of \$1,537,125.00. We believe a service substitution request was submitted in December 2005. The service sub only addressed a portion of the total project and did result in a reduction of the costs associated with that portion of the project, but we do not believe it resulted in a commensurate reduction in the total project costs. The service sub approval letter indicated a reduction in the pre-commitment and commitment amount, but SLD did not amend the data in its database. We attach a copy of the DRT report for this FRN downloaded from the SLD Web site on February 2, 2011 – after the date of the Administrator's Decision on Appeal Letter – showing a pre-commitment amount of \$1,136,072.10. GMCS submitted a BEAR for this FRN in early 2006 and SLD sent a BEAR Notification Letter dated March 2, 2006, for the amount of \$920,217.95. GMCS and IBM believe that the BEAR submitted reflected the true eligible amount for this FRN. We attach a letter from IBM indicating its support of that view.

Now, five years later, SLD proposes to adjust the commitment on this FRN and, presumably, will seek to recover the difference. Repayment, of course, would have a significant impact on GMCS. We believe GMCS acted in good faith to be reimbursed for the discount portion of the eligible costs for this FRN. If the SLD had adjusted its database when the service sub was approved, it would not have disbursed the amount it did, and GMCS would have been paid less at the time. But, in the meantime, GMCS used the funds it was reimbursed and, in these difficult budget times, does not have an extra \$35.6 thousand to reimburse USAC for its error.

We ask that you review the eligible costs for this FRN and withdraw the Administrator's Decision on Appeal Letter.

If you have any questions about this appeal, please contact George McDonald at the phone number above.

Sincerely,



Raymond R. Arsenault
Superintendent
Phone: 505-721-1051

cc: Tony Wening, International Business Machines Corpora

IBM DENVER SALES SCS
SENT BY: CENTRAL OFFICE

Fax: 303-773-5121
; 7-20- 1 : 3:01PM GALLUP MCKINLEY SCHOOLS

Jul 26 2001 14:05 P.03

Business Services
Gallup-McKinley County School
P.O. Box 1318
Gallup, NM 87305-1318
(505) 722-7711

P / O #: 220143

Attn: Lynne Nicholson

IBM
2155 Louisiana Blvd., NE
Suite 10500
Albuquerque, NM 87110

SHIP TO: GALLUP-MCKINLEY COUNTY SCHOOLS
700 SOUTH BOARDMAN (87301)
P.O. BOX 1318
GALLUP, NM 87305-1318

ATTN: RECEIVING WAREHOUSE

ATE: 7/20/01

SHIP: F.O.B. GALLUP,

REQ: 35-0022

| QTY | DESCRIPTION | UNIT PRICE | TOTAL |
|-----|---|---------------|-----------------------------|
| 1. | VIDEO SOLUTION AND INSTALLATION SERVICES TO INCLUDE: 1ea CISCO-CONTROL SERVER/CISCO IP/TV 3411 2ea CISCO-BROADCAST SERVER/CISCO 3423 4ea CISCO-ARCHIVE SERVER/CISCO 3431 3ea CISCO-VIDEO CONTENT MANAGER/CISCO IP/TV CM-3.0 2ea MULTIPOINT CONF BRIDGE/POWER PLAY PWF-GW-NTSC 14ea MULTIPOINT CONF BRIDGE/POWER PLAY PWF-2074-FPS 1ea MULTIPOINT CONF BRIDGE/POWER PLAY PWF-NS BNI (BROADBAND NETWORK INC.) via IBM WITH PURCHASING AGREEMENT ON WESTERN STATES CONTRACTING ALLIANCE (WSCA) CONTRACT WITH THE STATE OF NEW MEXICO. ACCOUNT 92100.11.6411.41.000.220 | NOT TO EXCEED | ----- 1,523,100 ***** |

I, undersigned, certify that I have the authority to purchase, or to be purchased, the described materials and/or services, that they are necessary and proper, and that this purchase is to the New Mexico Procurement Act in the manner and as evidenced by records on file in my possession.

[Signature] 7/26/01
(complete signature)

INSTRUCTIONS TO VENDOR

1. Ship to above address only (except periodicals via U.S. Mail)
2. All freight charges must be prepaid.
3. Submit invoices in duplicate.
4. Purchase order number must appear on all invoices, cartons and correspondence.

VENDOR COPY

International Business Machines Corporation

Please direct inquiries and correspondence to
IBM CORPORATION
 P O Box 2150
 Atlanta GA 30301
 Ph: 800-426-0569

Customer Number
 3602033-07

Invoice Number
 91C3978

Invoice date
 09/27/2001

Page
 1 of 1



Installed at
Gallup McKinley County
 School District
 Business Office
 700 S Boardman
 Gallup, NM 87301-4707

Gallup McKinley County
 Business Office
 PO Box 1318
 Gallup, NM 87305-1318

Customer reference
 PO #220143
 T-TDC-CFTXLKH-643447

Please remit payments to
 P O Box 105063 - 1t8
 Atlanta GA 30348

Terms **PAYMENT DUE UPON RECEIPT OF
 INVOICE - LATE PAYMENT FEE
 MAY APPLY**

INVOICE FOR SERVICES

| DESCRIPTION | SERVICE DATE | HOURLY RATE | HOURS | TAX | AMOUNT |
|---|-----------------|----------------|-------|-----|--------------|
| CONTRACT NUMBER | CFTXLKH | | | | |
| BILLING NUMBER | CYHAK | | | | |
| Video Solution & Installation Services, Performed at the following locations: | | | | | |
| Gallup McKinley NOC | | | | | 820,667.00 |
| Crownpoint High School | | | | | 39,853.00 |
| Navy Pine High School | | | | | 39,853.00 |
| Tohatchi Middle School | | | | | 39,853.00 |
| Tohatchi HS | | | | | 39,853.00 |
| Thoreau Middle School | | | | | 39,853.00 |
| Thoreau HS | | | | | 39,853.00 |
| Gallup Central High School | | | | | 39,853.00 |
| Gallup JR HS | | | | | 39,853.00 |
| Gallup HS | | | | | 39,853.00 |
| Gallup Middle School | | | | | 39,853.00 |
| Kennedy Middle School | | | | | 39,853.00 |
| Ramah High School | | | | | 70,736.00 |
| Ramah Elem School | | | | | 35,107.00 |
| David Skeet Elem School | | | | | 35,107.00 |
| TOTAL | | | | | 1,400,000.00 |
| TAXES | | | | | 33,878.82 |
| GRAND TOTAL | | | | | 1,433,878.82 |

RIGHTS TO PAYMENT WITH RESPECT TO THIS INVOICE MAY HAVE BEEN ASSIGNED TO IBM RECEIVABLES
 MASTER TRUST I.

PAY OUR INVOICES BY AUTOMATIC BANK TRANSFER. YOU MAY EVEN QUALIFY FOR A
 DISCOUNT ! DETAILS AT WWW.IBM.COM/SUPPORT/OPERATIONS.
 FOR A COPY OF SERVICES CONTRACT CALL 1-877-426-6006 OPT 5.

| | | |
|------------------|------------------------|----------------|
| Original Invoice | PLEASE PAY THIS AMOUNT | \$1,433,878.32 |
|------------------|------------------------|----------------|

International Business Machines Corporation

Invoice to
Gallup McKinley County
Business Office
PO Box 1318
Gallup, NM 87305-1318

Invoice Number
91C3978

Invoice date
09/27/2001

Page
1

Customer Number
3602033-07

Accounts Rec.
Department
1T8

Amount
\$1,433,878.32

Add. Correction

Invoice to ☐ Installed at ☐

Please remit payments to

IBM CORPORATION

P O Box 105063 - 1t8
Atlanta GA 30348

IBM

Remittance Copy

Phone 800-426-0569 www.ibm.com/support/operations

To assure
proper credit
please detach this
portion and return
with remittance.

Q2 MR1: The shared discount was reduced to a level that could be validated by third party data.

| | A | B | C | F | G | O | P | Q | R | S | T | AI | AJ | AP | AR | AS | AT | AU | AV | | |
|---|--------|-----------------|--------|-----------|--------|-------------|---------|-------------------|----------|------|------------|-----------|--------------|----------------|----------------|-----------------|-----------------|--------------|-------------|------------|----|
| 1 | 471 | Applic 471 Form | FRN | Applicant | F BEN | Service Prc | Commitm | FCDL Comment | 486 | SSD | Funding Ye | FCDL Date | Cmtd Cate | Committed Amou | Cmtd NR Cost | Cmtd NR Eligibl | Cmtd Total Cost | Cmtd Disci | Cmtd Commil | Orig 471 S | Cn |
| 2 | 248147 | CERTIFIED | 606006 | GALLUP-M | 143257 | Internatio | FUNDED | MR1: The shared d | 7/2/2001 | 2001 | 12/28/2001 | INTERNAL | \$977,022.01 | \$1,136,072.10 | \$1,136,072.10 | \$1,136,072.10 | 86 | \$977,022.01 | 7/1/2001 | 7/ | |

G. Invoicing Data

☐ Invoicing Mode

☐ Total Authorized Disbursement

O = Original View. Denotes data as provided by the applicant on the Form 471

C = Committed View. Denotes information provided at the time of commitment

Clear Form Build Data File

Content Last Modified: December 1, 2009

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Internet | Protected Mode: On 100%

5:05 PM 2/2/2011

IBM Global Services

*IBM E-rate Center
2330 Lakewood Road
Jefferson City, MO 65109
twening@us.ibm.com*



March 14, 2011

Gallup-McKinley County Schools
640 South Boardman Avenue
Gallup, NM 87305

RE: SLD Appeal for Form 471 #248147, FRN #606006

Dear Mr. Arsenault,

I am writing to support your appeal of the SLD decision concerning the above FRN. When GMCS filed the FCC Form 472 (BEAR) in 2005, IBM reviewed the form to ensure eligibility and invoiced amounts were correct as part of our standard review process.

At that time, there were no ineligible items of equipment or services noted. If ineligible items had been noted, IBM would have brought them to the attention of GMCS for correction of the FCC Form 472.

I hope this letter aids your appeal. Good Luck.

A handwritten signature in black ink, reading "Tony Wening". The signature is stylized with a large, sweeping "T" and a long, horizontal stroke extending to the right, ending in a small loop.

Tony Wening
Sr. Managing Consultant
E-rate Program